

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of	:	Confirmation Number: 4132
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William L. Honnef, et al.	:	Group Art Unit: 3622
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Serial No.: 09/914,287	:	Examiner: Khanh H. Le
	:	
Filed: August 23, 2001	:	
	:	
For: STORED VALUE ELECTRONIC	:	
CERTIFICATE PROCESSING	:	
	:	

APPEAL BRIEF

Mail Stop Appeal Brief – Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Appeal Brief is submitted in support of the Notice of Appeal filed on January 16, 2009. The due date for filing this Appeal Brief is March 16, 2009.

I. REAL PARTY IN INTEREST

CyberSource Corporation of Mountain View, California (NASDAQ: CYBS) is the real party in interest.

II. RELATED APPEALS AND INTERFERENCES

Appellants are unaware of any related appeals or interferences.

III. STATUS OF CLAIMS

Claims 1-19, 23, 25, and 29 are pending in this application, of which Claims 14, 25, and 29 are withdrawn from consideration, and of which Claims 1-13, 15-19, and 23 were finally rejected, and are the subject of this appeal. Claims 20-22, 24, 26-28, 30, and 31 have been canceled.

IV. STATUS OF AMENDMENTS

Claim amendments for the sole purpose of canceling Claims 24, 27, and 31 are filed concurrently with this Appeal Brief in a separate paper under C.F.R. § 1.116(b)(1). The Examiner has not reviewed and entered these claim amendments concurrently filed with this Appeal Brief.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The present application contains independent claims 1 and 23, and separately argued dependent claim 2. All references in this section refer to Appellants' application specification and drawings.

Independent Claim 1

Claim 1 recites a method of processing an electronic stored value certificate (*see, e.g.*, page 3, line 30 – page 4, line 7; FIG. 3A; FIG. 3C; FIG. 5A), comprising the computer-implemented steps of:

receiving and storing certificate information that identifies a recipient of the certificate, a recipient address, and an amount of the electronic stored value certificate (*see, e.g.*, page 14, lines 15 – 23; page 15, lines 3 – 7 and 17 – 20);

issuing the electronic stored value certificate from a certificate issuer in response to successfully carrying out a purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant (*see, e.g.*, page 13, lines 31-33; page 15, lines 21-23; page 15, line 30 – page 16, line 1; page 7, lines 18-23); and

creating and storing a unique identification value for the electronic stored value certificate in association with the certificate information as part of issuing the electronic stored value certificate (*see, e.g.*, page 16, lines 7-17);

storing an initial face value of the electronic stored value certificate (*see, e.g.*, page 16, lines 23 and 24; page 22, lines 18 – 23),

determining a new face value by reducing the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving information indicating redemption at the merchant of the portion of the initial face value for goods or services (*see, e.g.*, page 4, lines 3 – 7; page 20, line 33 – page 21, line 3; page 19, lines 25 – 28), and

storing the new face value of the electronic stored value certificate (*see, e.g.*, page 4, lines 5 – 7; page 8, lines 1 – 3 and 6 – 11);

displaying the new face value of the electronic stored value certificate to the recipient (*see, e.g.*, page 18, lines 30 – 32);

repeating the steps of determining, storing, and displaying the new face value in response to successively received redemption information until the new face value of the electronic stored value certificate is zero (*see, e.g.*, page 16, lines 23 and 24; page 4, lines 3 – 7; page 20, line 33 – page 21, line 3; page 19, lines 25 – 28; page 18, lines 30 – 32);

wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network (*see, e.g.*, page 16, lines 14 – 17 “Customer Number and Card Number fields each are assigned a unique identifier value.... [E]ach identifier value comprises a 15-digit randomly generated number, and a checksum digit”; payment server 113 of FIG. 1A page 8, lines 16-21 “for the purpose of submitting payment transaction to credit card clearance networks, the automated clearing house network, wire transfer networks, etc.”);

wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network (*see, e.g.*, page 20, line 31 – page 21, line 3; page 7, lines 18-23; page 9, line 27 – page 11, line 5).

Independent Claim 23

Claim 23 recites a computer system (*see, e.g.*, FIG. 6) configured to process an electronic stored value certificate (*see, e.g.*, page 3, line 30 – page 4, line 7; FIG. 3A; FIG. 3C; FIG. 5A), comprising:

a database that stores certificate information defining the electronic stored value certificate, including information identifying a recipient, recipient address, and amount of the electronic stored value certificate (*see, e.g.*, page 27, lines 24 and 25; page 8, lines 13-15; page 9, lines 8-10);

one or more processors coupled to the database (*see, e.g.*, page 27, lines 24 and 25; page 8, lines 13-15);

instructions coupled to the database and the processors which, when executed by the one or more processors (*see, e.g.*, page 27, lines 24, 25, and 28-32), cause the one or more processors to carry out the steps of:

receiving and storing certificate information that identifies a recipient of the certificate, a recipient address, and an amount of the electronic stored value certificate (*see, e.g.*, page 14, lines 15 – 23; page 15, lines 3 – 7 and 17 – 20);

issuing the electronic stored value certificate from a certificate issuer in response to successfully carrying out a purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant (*see, e.g.*, page 13, lines 31-33; page 15, lines 21-23; page 15, line 30 – page 16, line 1; page 7, lines 18-23); and

creating and storing a unique identification value for the electronic stored value certificate in association with the certificate information as part of issuing the electronic stored value certificate (*see, e.g.*, page 16, lines 7-17);

storing an initial face value of the electronic stored value certificate (*see, e.g.*, page 16, lines 23 and 24; page 22, lines 18 – 23),

determining a new face value by reducing the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving information indicating redemption at the merchant of the portion of the initial face value for goods or services (*see, e.g.*, page 4, lines 3 – 7; page 20, line 33 – page 21, line 3; page 19, lines 25 – 28), and

storing the new face value of the electronic stored value certificate(*see, e.g.*, page 4, lines 5 – 7; page 8, lines 1 – 3 and 6 – 11);

displaying the new face value of the electronic stored value certificate to the recipient (*see, e.g.*, page 18, lines 30 – 32);

repeating the steps of determining, storing, and displaying the new face value in response to successively received redemption information until the new face value of the electronic stored value certificate is zero (*see, e.g.*, page 16, lines 23 and 24; page 4, lines 3 – 7; page 20, line 33 – page 21, line 3; page 19, lines 25 – 28; page 18, lines 30 – 32);

wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network (*see, e.g.*, page 16, lines 14 – 17 “Customer Number and Card Number fields each are assigned a unique identifier value.... [E]ach identifier value comprises a 15-digit randomly generated number, and a checksum digit”; payment server 113 of FIG. 1A page 8, lines 16-21 “for the purpose of submitting payment transaction to credit card clearance networks, the automated clearing house network, wire transfer networks, etc.”);

wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network (*see, e.g.*, page 20, line 31 – page 21, line 3; page 7, lines 18-23; page 9, line 27 – page 11, line 5).

Claim 2

Claim 2 is a method claim that depends from Claim 1, and hence incorporates all the features of Claim 1 as set forth above. In addition, Claim 2 recites the steps of generating information defining a graphic image, in the form of a gift certificate, promotion certificate, incentive certificate, or award certificate, and that contains the certificate information, for display by a client computer associated with the recipient (*see*, page 18, lines 30–32; p. 22, lines 24–26).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether Claims 1-3, 5, 7-11, 13, and 23 are anticipated by Phillips et al., U.S. Patent No. 6,615,189 (hereinafter "*Phillips*").

2. Whether Claim 4 is unpatentable over *Phillips* in view of Walker et al. US Patent No. 6,138,106 (hereinafter *Walker*) under 35 U.S.C. 103(a).
3. Whether Claims 6, 12, and 15-19 are unpatentable over *Phillips* in view of alleged legal precedents and/or Official Notice under 35 U.S.C. 103(a).

VII. ARGUMENTS

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a), all the claim limitations must be taught or suggested by the references cited and relied upon. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). Further, rejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 82 USPQ2d 1385 (2007) (citing with approval *In re Kahn*, 441 F.3d 977, 988). Finally, if an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988). The Office Action fails to properly apply these fundamental legal standards for the reasons detailed below, and therefore the rejections should be reversed.

A. Claim 1 Is Patentable Because *Phillips* Fails to Provide Transferring Value, Redemption, and Displaying as Claimed.

Claim 1 recites “receiving and storing certificate information ... issuing the electronic stored value certificate ...creating and storing a unique identification value for the electronic stored value ... [and] storing an initial face value of the electronic stored value certificate” In these steps, an electronic stored value certificate is issued from a certificate issuer in response to successfully carrying out a purchase transaction that transfers value from a first account **associated with a purchaser** of the electronic stored value certificate to a second account **associated with a merchant**. The purchaser pays for the electronic store value certificate by

transferring the purchaser's value to the merchant. In one embodiment, the transfer of the value from the purchaser to the merchant is performed by a payment processor 113, which submits payment transactions to credit card clearance networks, the automated clearinghouse network, wire transfer networks, etc. (*see, e.g.*, Appellants' specification, page 7, lines 16 – 23).

Claim 1 also recites “determining a new face value by reducing the initial face value of the electronic stored value certificate ... storing the new face value of the electronic stored value certificate ... [and] displaying the new face value of the electronic stored value certificate” In this second group of features, the electronic stored value certificate is used by a recipient of the certificate to redeem for goods or service at the merchant to whom the value of the purchaser has been transferred. The recipient of the certificate redeems a portion of the value that has already been paid for by the purchaser of the certificate for goods and services at the merchant who has received the initial value of the certificate, and this may be repeated until the balance of the certificate reaches zero. In one embodiment of Claim 1, in redemption transactions, a stored value certificate processor 112 interacts logically and contractually exclusively with the merchant, while the merchant controls interaction with the consumer (*see*, page 7, lines 16–23).

Because the art of record does not disclose at least the foregoing features for the reasons detailed below, the rejections should be reversed.

1. *Phillips* Fails to Describe Transferring Value from a Purchaser to a Merchant

Page 2, line 24 – page 3, line 15 of the Office Action asserts that *Phillips* at Abstract, col. 3 line 41–col.4 line 45, and FIG. 1 and its associated text discloses both groups of features of Claim 1 as identified above. These assertions are not supported by the cited references under the only reasonable interpretation of the reference.

For example, *Phillips*'s Abstract as cited merely mentions a method of issuing a purchase card, which may be issued only in connection with another credit card so that rebate for purchase may be credited to the credit card. The difference between this purchase card of *Phillips* and a credit card is that the purchase card carries a pre-paid balance and that the purchase card may in fact be converted to a credit card. *See, e.g.*, *Phillips* at Abstract. Nothing in *Phillips*'s Abstract,

or elsewhere, describes that value has been transferred from a purchaser of an electronic stored value certificate to a merchant at which portions of the value of the certificate are redeemed, as featured in Claim 1. *Phillips* only describes transferring value from a purchaser of a purchase card to an issuer of the purchase card. Contrary to the Examiner's assertions, *Phillips*'s Abstract is devoid of any mention of a merchant when the purchase card is issued, let alone any value transfer to a merchant when the purchase card is issued.

FIG. 1 of *Phillips* and the text cited by the Examiner only describe that a purchase card is shipped to the purchaser or the recipient, after transferring value from the purchaser to the issuer of the purchase card. Like *Phillips*'s Abstract, the process as described in FIG. 1 and its associated text in *Phillips* does not issue an electronic stored value certificate in response to transferring value from a purchaser of the certificate to an issuer of the certificate, as in Claim 1. *Phillips* at col. 3 line 41-col.4 line 45 only describes that after the purchase card has been purchased from the issuer of the card, the recipient activates the purchase card, for example, by placing a telephone call to an activation center (col. 4 lines 19-21).

None of the excerpts of *Phillips* that the Office relies upon describes issuing an electronic stored value certificate in response to transferring value from a purchaser of the certificate to an issuer of the certificate, as in Claim 1. In sharp contrast, Claim 1 recites a merchant, in addition to reciting a purchaser and an issuer. The certificate issuer issues an electronic stored value certificate "in response to successfully carrying out a purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with [the] merchant." The merchant is an entity at which a portion of an initial face value of the electronic stored value certificate is redeemed for goods and services.

Fundamentally, the Examiner appears to confuse the issuer with the merchant. Claim 1, on the other hand, recites the issuer and the merchant as two separate entities. Appellants' specification also provides various embodiments in which the merchant and the issuer may serve different roles, act differently, and interact between these two entities, similar to what has been recited in Claim 1. A person of ordinary skill in the art would have readily understood that an

issuer of an electronic stored value certificate and a merchant at which the certificate can be redeemed are different entities as recited in Claim 1. For these reasons, it is erroneous for the Examiner to treat the issuer and the merchant of Claim 1 as equivalent, while ignoring the positively recited features of Claim 1.

2. *Phillips* Fails to Describe a Redemption Transaction that Does Not Traverse the Commercial Credit Card Network

Claim 1 recites that the unique identification value is a random value that is non-negotiable in a commercial credit card network. In one embodiment, the certificate is redeemable only at the merchant (see, e.g., page 4, lines 1 – 11). Thus, at least in this embodiment, the certificate is non-negotiable in a commercial credit card network.

Claim 1 also recites that the identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network. In one embodiment (see, e.g., page 19, lines 25 – 28), in a partial redemption of the value of the certificate, the electronic stored value certificate process 112 responds to a Redeem Certificate function, which is called by the merchant, by providing a remaining value after the stored value of the certificate is applied. The payment server 113 – which normally would send requests to traverse the commercial credit card networks – is not invoked in this embodiment.¹

The purchase card of *Phillips*, on the other hand, depends on a credit card network for making purchases. *Phillips*'s purchase card is a credit card that carries a pre-paid balance. In *Phillips*, value is transferred to a merchant only when the purchase card is used to make a purchase at the merchant, not when the purchase card is purchased. At the time of purchasing the purchase card, value is only transferred from the purchaser of the card to the issuer of the card.

¹ Page 11, lines 4 – 7 of the Final Office Action mailed October 20, 2008 (hereinafter “the Office Action”) states that “[t]he Examiner thanks Mr. Gu for calling back on October 10[, 2008] to let the Examiner know that, upon a quick review of the application, he has not been able to find a definition for such limitation in the specification.” However, the Office Action mischaracterizes the communication. Mr. Gu stated in the call that Appellants’ disclosure as a whole provides support for the claim language. The call was informal, not an interview, and made no concession or admission. No rejection under 35 U.S.C. 112 had been asserted, and the Examiner may not use a telephone call and a reply call to circumvent the requirement of a written action and the statutory time period for Appellants to respond. Therefore, the statement in the Office Action should be given no weight.

As previously noted, a merchant at which redemption can be made is not even mentioned by *Phillips* when *Phillips* describes issuing the purchase card.

Phillips specifically describes that the purchase card is activated when the issuer of the purchase card is notified that the recipient has received the purchase card (col. 1 lines 50-53) and that the recipient activates the purchase card by placing a telephone call to the activation center (col. 4 lines 19-21). This procedure is indistinguishable from activation of a credit card.

The purchase card also depends on the credit card network, as *Phillips* at col. 2 lines 15-17 and 30 – 38 describes that a rebate involving the purchase card may be calculated based on all purchases with a purchaser's credit card and that the purchase card itself can be converted into a credit card. Without traversing a credit card network, a rebate to the credit card from using the purchase card is not possible.

Indeed, the purchase card of *Phillips* is so intricately related to the purchaser's credit card that each time when *Phillips* describes using the purchase card, *Phillips* emphasizes that the purchase card is used "wherever, for example, VISA cards are accepted." The purchase card of *Phillips* operates at a merchant in the same way as a credit card except that the purchase card stores a pre-paid value that can be transferred to a merchant when the purchase card is used. The purchase card unquestionably is negotiable in a commercial credit card network. Purchases using the purchase card are transactions that traverse a commercial credit card network.

Contrary to the Examiner's assertions, *Phillips* neither **explicitly** nor **inherently** discloses that an identification value for an electronic store value certificate is a random value that is non-negotiable in a commercial credit card network, or that the identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network, as featured in Claim 1. Because *Phillips* requires a credit card network and Claim 1 excludes it, Claim 1 is allowable.

3. *Phillips* Fails to Describe “Displaying the New Face Value” As Claimed

Page 3, lines 16 – 23 of the Office Action contends that *Phillips* at col. 4 lines 46-57; col. 5 lines 1-5; col. 2 lines 57-59 and 65-67 discloses “displaying the new face value of the electronic stored value certificate to the recipient”, as featured in Claim 1. These excerpts of *Phillips*, however, merely state that “[t]he purchase card will continue to operate as long as positive balance remains on the card. Some embodiments of the purchase card may have the capacity to have additional purchase value added to them after they have been activated.” From this, the Examiner further contends that *Phillips* **suggests** “displaying the new face value of the electronic stored value certificate to the recipient” in Claim 1.

Importantly, the Examiner could not point to any place in *Phillips* that explicitly or inherently discloses “displaying the new face value of the electronic stored value certificate to the recipient”, as featured in Claim 1. Indeed, there are practical reasons why these features claimed in Claim 1 are neither disclosed nor suggested in *Phillips*. In *Phillips*, a purchase card (1) is like a credit card, (2) can be converted into a credit card, and (3) can be used wherever a credit card network is available. The card of *Phillips* has no display capability and is not itself depicted on a screen or display. In *Phillips*, a system that accepts the purchase card for making purchases would not know the difference between the purchase card and a credit card. As such, the system would not know that the purchase card could carry a positive balance, let alone display a new positive balance to a recipient of the purchase card.

For at least the reasons given above, Claim 1 recites one or more limitations that are not anticipated by *Phillips*. Reversal or removal of the rejection is respectfully requested.

B. Claim 2 Is Patentable under 35 U.S.C. 102(e) over *Phillips* Because the Office Action Fails to Give any Evidence for Rejection.

Claim 2 depends from Claim 1 and is patentable for the same reasons discussed above with respect to Claim 1. Claim 2 further recites “generating information defining **a graphic image, in the form of a gift certificate**, promotion certificate, incentive certificate, or award certificate, and that contains the certificate information, for display by a client computer associated with the

recipient.” (Emphasis added.) At least these above-recited features of Claim 2 are not disclosed in *Phillips*.

The Examiner at page 2, lines 18 and 19 of the Office Action states that Claim 2 has been rejected, but provides no specific evidence or substantive reason to justify the rejection. An omnibus rejection of the claim "on the references and for the reasons of record" is not informative, provides no basis for review by the appeal board or a court, and should therefore be avoided. *See* MPEP 707.07(d). Indeed, the unsupported statement that Claim 2 has been rejected over *Phillips* fails to state a prima facie case of unpatentability of the claim. For these reasons, the rejection of Claim 2 must be reversed.

C. Independent Claim 23 Is Patentable under 35 U.S.C. 102(e) over *Phillips*.

Independent Claim 23 recites similar features as those discussed above with respect to Claim 1. Consequently, Claim 23 is patentable for at least the same reasons discussed above as to Claim 1 and the rejection of Claim 23 must be reversed.

D. Dependent Claims 3, 5, 7-11, and 13 Are Patentable under 35 U.S.C. 102(e) over *Phillips*.

Each of dependent Claims 3, 5, 7-11, 13 depends directly or indirectly from, and therefore recites all the features of Claim 1 discussed above and is patentable for the same reasons discussed above with respect to Claim 1. For all the foregoing reasons, Claims 3, 5, 7-11, 13 are allowable over *Phillips* and the rejections of these claims must be reversed.

E. Dependent Claim 4 Is Patentable under 35 U.S.C. 103(a) over *Phillips* in View of *Walker*.

Claim 4 contains all the features of Claim 1 discussed above and is patentable for the same reasons discussed above with respect to Claim 1. *Walker* fails to disclose the features of Claim 1 that are missing in *Phillips*. For all the foregoing reasons, Claim 4 is allowable over *Phillips* in view of *Walker*.

F. Dependent Claims 6, 12, and 15-19 Are Patentable under 35 U.S.C. 103(a) over *Phillips* in View of Alleged Legal Precedents and/or Official Notice.

Each of dependent Claims 6, 12, and 15-19 contains all the features of Claim 1 discussed

above and is patentable for the same reasons discussed above with respect to Claim 1. Further, dependent Claims 6, 12, and 15-19 contain features that individually render them patentable.

The Board has established a rigorous test for the use of “official notice.” A statement of official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). The official notice taken in the present case is not supported by documentary evidence. Therefore, the facts asserted in the official notice must be not only well-known or common knowledge in the art, but also capable of **instant** and **unquestionable** demonstration as being well-known. The Office action fails to meet this burden.

For example, Claim 15 specifically recites redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services **only when** the recipient selects such goods or services of a specified minimum purchase amount. Claim 16 specifically recites redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services **only when** the recipient is making the recipient’s first purchase of goods or services from a merchant who redeems the certificate. Claim 17 specifically recites redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services **only for specified selected goods or services**, wherein such specified selected goods or services are determined by a merchant who redeems the certificate. These unusual features in the claims are neither well-known nor common knowledge in commerce, let alone in the context of redeeming an electronic stored value certificate. These recited features are not capable of instant and unquestionable demonstration as being well-known and the Office action asserts no reason why they are. For these reasons, the official notice is improperly taken.

Specific to Claim 12, page 7, lines 19 – 25 of the Office Action admits that *Phillips* does not disclose the features of Claim 12. The Examiner nevertheless argues that *Phillips* at col. 5, lines 64 and 65 discloses credit cards that may be co-branded with a sponsor. The Examiner goes on to argue that the credit card function of the co-branded credit cards in *Phillips* may be omitted

to arrive at the features of Claim 12. The Examiner alleges that this omission of a key function from the co-branded credit cards can be made based on *In re Karlson*, 136 USPQ 184, 186; 311 F2d 581 (CCPA 1963), in which positions of tanks in a claim are considered to be non-critical to the function served by the tanks and can be omitted from the claim.

However, *In re Karlson* is distinguishable and does not allow the Examiner to omit the credit card function from the co-branded credit cards in *Phillips*. In *Phillips*, the credit card function of the co-branded credit cards is essential, and at the center, to the working of the rebate system described by the cited excerpt. For example, when the co-branded credit cards are used at a co-sponsor, the credit card function would enable communicating purchases at the co-sponsor over a credit card network for the purpose of crediting rebates from the co-sponsor to the cardholders. For these reasons, *In re Karlson* is incorrectly applied by the Examiner to the instant application.

For all the foregoing reasons, Claims 6, 12, and 15-19 are allowable over *Phillips* in view of alleged legal precedents and/or Official Notice.

VIII. CONCLUSION AND PRAYER FOR RELIEF

Based on the foregoing, it is respectfully submitted that each of (1) the rejection of Claims 1-3, 5, 7-11, 13, and 23 under 35 U.S.C. § 102(e) over *Phillips*; (2) the rejection of Claim 4 under 35 U.S.C. 103(a) over *Phillips* in view of *Walker*; and (3) the rejection of Claims 6, 12, and 15-19 under 35 U.S.C. 103(a) over *Phillips* in view of alleged legal precedents and/or Official Notice lacks the requisite factual and legal bases. Appellants therefore respectfully request that the

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Honorable Board reverse the rejections of Claims 1-13, 15-19, and 23.

Respectfully submitted,

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IX. CLAIMS APPENDIX

1. A method of processing an electronic stored value certificate, comprising the computer-implemented steps of:
receiving and storing certificate information that identifies a recipient of the certificate, a recipient address, and an amount of the electronic stored value certificate;
issuing the electronic stored value certificate from a certificate issuer in response to successfully carrying out a purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant; and
creating and storing a unique identification value for the electronic stored value certificate in association with the certificate information as part of issuing the electronic stored value certificate;
storing an initial face value of the electronic stored value certificate,
determining a new face value by reducing the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving information indicating redemption at the merchant of the portion of the initial face value for goods or services, and
storing the new face value of the electronic stored value certificate;
displaying the new face value of the electronic stored value certificate to the recipient;
repeating the steps of determining, storing, and displaying the new face value in response to successively received redemption information until the new face value of the electronic stored value certificate is zero;
wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network;
wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network.
2. A method as recited in Claim 1, further comprising the steps of generating information

defining a graphic image, in the form of a gift certificate, promotion certificate, incentive certificate, or award certificate, and that contains the certificate information, for display by a client computer associated with the recipient.

3. A method as recited in Claim 1, further comprising the steps of retrieving purchaser identifying information and purchaser payment information from a database associated with the certificate issuer that is created as part of a prior sales transaction between the purchaser and the certificate issuer.
4. A method as recited in Claim 1, further comprising the steps of generating and dispatching a electronic mail notification message to the recipient of the electronic stored value certificate that includes a hyperlink that contains the unique identification value and links to a view certificate and statement function with which the recipient may view the certificate and statement within a browser.
5. A method as recited in Claim 1, further comprising the steps of:
receiving a request to redeem the electronic stored value certificate, wherein the request includes the unique identification value and an amount of an order placed by the recipient of the electronic stored value certificate;
determining a current value of the electronic stored value certificate associated with the unique identification value;
reducing the current value of the electronic stored value certificate by the amount of the order;
generating and returning an amount redeemed to a merchant with which the electronic stored value certificate may be redeemed.
6. A method as recited in Claim 1, further comprising the steps of:
receiving a request to redeem the electronic stored value certificate, wherein the request includes the unique identification value and an amount of an order placed by the recipient of the electronic stored value certificate;
determining a current value of the electronic stored value certificate associated with the

unique identification value;
determining whether applying the current value of the electronic stored value certificate to the amount of the order results in a balance due for the order;
applying the electronic stored value certificate to the order by reducing the current value of the electronic stored value certificate to zero and attempting to receive the balance due for the order by carrying out a charge transaction that transfers value from an account associated with the recipient of the electronic stored value certificate to a certificate issuer with which the electronic stored value certificate may be redeemed;
restoring the electronic stored value certificate to its previously determined current value in response to failure of the charge transaction.

7. A method as recited in Claim 1, further comprising the steps of:
receiving the unique identifier of an electronic stored value certificate from a certificate issuer;
retrieving the certificate information that is associated with an electronic stored value certificate having the unique identifier;
returning the certificate information to the certificate issuer in a pre-determined form;
receiving updated recipient identifying information from the certificate issuer and updating the certificate information with the updated recipient information.
8. A method as recited in Claim 1, wherein creating and storing a unique identification value comprises the steps of:
generating a random numeric value;
combining the random numeric value with one or more constant numeric values to result in creating and storing a resulting numeric value;
determining whether the resulting numeric value is currently associated with another existing certificate;
storing the unique identification value when the resulting numeric value is not currently associated with another existing certificate.

9. A method as recited in Claim 1, wherein the certificate is redeemable for goods or services of a party other than the certificate issuer.
10. A method as recited in Claim 1, further comprising the steps of:
receiving a request to redeem the electronic stored value certificate at a party other than the certificate issuer, wherein the request includes the unique identification value and an amount of an order placed by the recipient of the electronic stored value certificate;
determining a current value of the electronic stored value certificate associated with the unique identification value;
reducing the current value of the electronic stored value certificate by the amount of the order;
generating and returning an amount redeemed to the party other than the certificate issuer.
11. A method as recited in Claim 1, further comprising the steps of:
receiving a request to tender the electronic stored value certificate as payment for an order, wherein the request includes the unique identification value and an amount of the order that is placed by the recipient of the electronic stored value certificate;
determining a current value of the electronic stored value certificate associated with the unique identification value;
determining whether applying the current value of the electronic stored value certificate to the amount of the order results in a balance due for the order, and if so, depleting the certificate value to zero and returning the total amount redeemed from the certificate to the merchant.
12. A method as recited in Claim 1, wherein the certificate issuer is a third party reseller that issues a merchant branded certificate in exchange for receiving value paid by a purchaser of the certificate and wherein each certificate may be redeemed at a merchant for goods or services thereof.

13. A method as recited in Claim 1, further comprising the step of receiving, via a physical means, information requesting redemption of the electronic stored value certificate as tender of all or a portion of payment for one or more goods or services, wherein the physical means comprises any one of (i) a telephone call center or (ii) a physical store.
14. (Withdrawn) A method as recited in Claim 1, further comprising the step of receiving, at a physical store, information requesting redemption of the electronic stored value certificate as tender of all or a portion of payment for one or more goods or services.
15. A method as recited in Claim 1, further comprising the steps of redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services only when the recipient selects such goods or services of a specified minimum purchase amount.
16. A method as recited in Claim 1, further comprising the steps of redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services only when the recipient is making the recipient's first purchase of goods or services from a merchant who redeems the certificate.
17. A method as recited in Claim 1, further comprising the steps of redeeming the electronic stored value certificate as tender of all or a portion of payment for goods or services only for specified selected goods or services, wherein such specified selected goods or services are determined by a merchant who redeems the certificate.
18. A method as recited in Claim 1, further comprising the steps of:
receiving from a merchant a request to process tender of payment for goods and services,
wherein the request comprises, wherein the request includes (a) the unique
identification value of the electronic stored value certificate, an amount of an
order, and any applicable taxes, shipping or handling charges for an order that is
placed by the recipient of the electronic stored value certificate and (b) an account

number associated with a charge account or debit account of the recipient;
determining a current value of the electronic stored value certificate associated with the
unique identification value;
determining whether applying the current value of the electronic stored value certificate to
the amount of the order results in a balance due for the order, and if so, depleting
the certificate value to zero and charging the charge account or debit account for
the balance due;
generating a response to the merchant that comprises the total amount redeemed from the
certificate to the merchant and the balance due that has been charged to the charge
account or debit account.

19. A method as recited in Claim 1, further comprising the steps of:
receiving a request to redeem the electronic stored value certificate, wherein the request
includes the unique identification value, an amount of an order, and any applicable
taxes, shipping or handling charges, that is placed by the recipient of the electronic
stored value certificate;
determining a current value of the electronic stored value certificate associated with the
unique identification value;
determining whether applying the current value of the electronic stored value certificate to
the amount of the order results in a balance due for the order, and if so, generating
information that prompts the recipient to add value to the certificate.

20-22. (Canceled)

23. A computer system configured to process an electronic stored value certificate,
comprising:
a database that stores certificate information defining the electronic stored value
certificate, including information identifying a recipient, recipient address, and
amount of the electronic stored value certificate;
one or more processors coupled to the database;

instructions coupled to the database and the processors which, when executed by the one or more processors, cause the one or more processors to carry out the steps of: receiving and storing certificate information that identifies a recipient of the certificate, a recipient address, and an amount of the electronic stored value certificate; issuing the electronic stored value certificate from a certificate issuer in response to successfully carrying out a purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant; and creating and storing a unique identification value for the electronic stored value certificate in association with the certificate information as part of issuing the electronic stored value certificate; storing an initial face value of the electronic stored value certificate, determining a new face value by reducing the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving information indicating redemption at the merchant of the portion of the initial face value for goods or services, and storing the new face value of the electronic stored value certificate; displaying the new face value of the electronic stored value certificate to the recipient; repeating the steps of determining, storing, and displaying the new face value in response to successively received redemption information until the new face value of the electronic stored value certificate is zero; wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network; wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network.

24. (Canceled)

25. (Withdrawn) A method of processing an electronic promotional certificate that is

redeemable at a merchant for goods or services, comprising the steps of:
generating information defining display parameters of the certificate;
storing certificate information identifying a recipient, recipient address, and amount of the certificate;
issuing the certificate to a recipient without consideration;
storing value in association with the certificate, wherein the value of the certificate may be redeemed at the certificate issuer store and may be redeemed at a one or more merchants from among a limited number of merchants specifically established by the certificate issuer, in exchange for goods or services;
creating and storing a unique identification value in association with the certificate information as part of activating the electronic stored value certificate;
wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network;
wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network.

26. (Canceled)

27. (Canceled)

28. (Canceled)

29. (Withdrawn) A method of processing an electronic stored value certificate, comprising the steps of:
receiving and storing certificate information that identifies a recipient of the certificate, a recipient address, and an amount of the electronic stored value certificate;
by a third party host, generating a visual display comprising a purchaser payment input

form that can receive information associated with a purchase transaction;
by the merchant, issuing and activating the electronic stored value certificate in response
to successfully carrying out a purchase transaction that transfers value from an
account associated with a purchaser of the electronic stored value certificate to the
merchant;
by the merchant, receiving the electronic stored value certificate as tender of payment for
a portion or all of one or more goods or services of the merchant;
creating and storing a unique identification value for the electronic stored value certificate
in association with the certificate information as part of activating the electronic
stored value certificate;
wherein the unique identification value is a random value that is non-negotiable in a
commercial credit card network;
wherein the unique identification value is operable for redemption of the electronic stored
value certificate at the merchant by communication of the merchant with the
certificate issuer in a redemption transaction that does not traverse the commercial
credit card network.

30. (Canceled)

31. (Canceled)

X. EVIDENCE APPENDIX

None

XI. RELATED PROCEEDINGS INDEX

None